

In response to your letter dated March 14 regarding the 30 Day Post-General Report please note that the Committee will file an amended report today to show the correct beginning cash, the correct loan amount taken in the period, the correct aggregate for Mr. Rawling, the correct amount of the contribution from Every Republican is Crucial PAC on 11/2/06, updated Schedules C and C-1, and Memo Schedule E for expenditures made but not yet paid for.

Contributions from both Sharp Pencil PAC and the American Association of Orthodontists PAC have been refunded \$5,000 each. Our system did not show that Sharp Pencil PAC was a qualified committee and the check did not indicate that it was. The Orthodontists PAC sent a check with the NRCC name on it but they did not intend it for the NRCC. It was deposited and recorded in good faith however the donor's intent was not clear.

You have asked if the Committee is using usual and normal charges for goods and service provided by the Committee to federal candidates. As in our prior responses, please note that the Committee passes on the full cost of providing goods and/or services to federal candidates or other committees or organizations without discount or mark-up. We are passing on the usual and normal charge paid by the Committee.

Calendar year to date aggregates for independent expenditures have been corrected.

You have stated that the Committee has made both in-kind and coordinated expenditures for federal candidates for whom we also made independent expenditures. The Committee follows all guidelines regarding independent expenditures. The independent expenditures staff members do not have contact with campaigns or with committee staff who do. All independent expenditures made by the committee meet the definition as set by the Commission and they have been properly itemized.

You have stated that the Committee may have failed to file 24 hour notices on excessive coordinated contributions. The Coordinated expenditures were actually made on 11/6/06. Our internal system used the date of the authorization to spend as the FEC apply date in error. The committee has not made coordinated expenditures under the millionaires amendment in the past and our custom system was not accustomed to the unusual situation. The dates have been corrected.

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